

ACT No. 806

Regular Session, 2004

HOUSE BILL NO. 1261

BY REPRESENTATIVE PINAC

AN ACT

To amend and reenact R.S. 51:2386, 2387, 2388, 2389(E)(1)(c) and (F)(1), 2391, 2392, 2393, 2394, 2395(A), (B)(2)(a), (D), and (F)(3), 2396(D)(6), (F), and (G)(1)(d), and 2397(A)(1)(b) and (2), (D), (E), and (G)(2)(a) and to enact R.S. 51:2389(H), relative to the Louisiana Business and Industrial Corporation Act; to provide for participation of Louisiana limited liability companies; to provide for certain additional licensing requirements; to provide for certain additional reporting requirements; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:2386, 2387, 2388, 2389(E)(1)(c) and (F)(1), 2391, 2392, 2393, 2394, 2395(A), (B)(2)(a), (D), and (F)(3), 2396(D)(6), (F), and (G)(1)(d), and 2397(A)(1)(b) and (2), (D), (E), and (G)(2)(a) are hereby amended and reenacted and R.S. 51:2389(H) is hereby enacted to read as follows:

§2386. Short title

This Chapter shall be known and may be cited as the "Louisiana Business and Industrial Development ~~Corporation~~ Company Act" or the "Louisiana BIDCO Act".

§2387. Declaration of purpose

The purposes of this Chapter are to:

(1) Promote economic development by encouraging the formation of business and industrial development ~~corporations~~ companies, a new type of private institution, to help grow the financial services industry in Louisiana, create high-paying job opportunities in this sector and meet the financing assistance and management assistance needs of business firms in this state and elsewhere.

(2) Provide for a system of licensing, regulation, and enforcement that will enable business and industrial development ~~corporations~~ companies to satisfy eligibility requirements to participate, if they so choose, in the program of the Small Business Administration pursuant to Part 7(a) of the Small Business Act, Public Law 85-536, 15 U.S.C. 636(a), and other programs for which they may be eligible.

(3) Provide for a system of licensing, regulation, and enforcement designed to prevent fraud, conflict of interest, and mismanagement, and to promote competent management, accurate recordkeeping, and appropriate communication with shareholders or members, in order to provide the following:

(a) Comfort to prospective shareholders or members so as to facilitate equity investments in business and industrial development ~~corporations~~ companies.

(b) Comfort to prospective debt sources so as to facilitate the borrowing of money by business and industrial development ~~corporations~~ companies.

(4) Safeguard the general reputation of business and industrial development ~~corporations~~ companies as a type of nondepository financial institution in order to increase the confidence of prospective equity investors in and prospective debt sources for those institutions.

§2388. Definitions

The following words and phrases as used in this Chapter shall have the following meanings unless a different meaning clearly appears from the context:

(1) "Affiliate", when used with respect to a specified person, means any person, other than a natural person, controlling, controlled by or under common control with, such specified person, directly or indirectly through one or more intermediaries.

(2) "BIDCO" means a business and industrial development ~~corporation~~ company licensed under this Chapter.

(3) "Business firm" means a person who transacts business on a regular and continual basis, or a person that proposes to transact business on a regular and continual basis.

1 (4) "Cash equivalent" shall include cash, time certificates of deposit, or
2 readily marketable securities issued by an agency of the United States government
3 or the state of Louisiana or any of its political subdivisions.

4 (5) "Commissioner" means the commissioner of the Office of Financial
5 Institutions within the office of the governor.

6 (6) "Control" means the possession, direct or indirect, of the power to direct
7 or cause the direction of the management and policies of a licensee or a small
8 concern whether through the ownership of voting securities, by contract, or
9 otherwise. A person who, directly or indirectly, owns of record or beneficially holds
10 with power to vote, or holds proxies with discretionary authority to vote, twenty
11 percent or more of the then outstanding voting securities issued by ~~a corporation~~ an
12 entity shall be rebuttably presumed to control that ~~corporation~~ entity.

13 (7) "Controlling person" when used with respect to a specified person means
14 a person who controls that specified person directly or indirectly through one or more
15 intermediaries.

16 (8) "Corporate name" means the name of a corporation or limited liability
17 company as set forth in the articles of incorporation of ~~that a corporation~~ or the
18 articles of organization of a limited liability company.

19 (9) "Financing assistance" means to lend money or otherwise extend credit
20 to a person or to purchase securities issued by a person, either directly or indirectly
21 through an underwriter.

22 (10) "Incorporating statute" means the Louisiana Business Corporation Law,
23 R.S. 12:1 et seq., the Louisiana Limited Liability Company Law, R.S. 12:1301
24 et seq., or any other provision of law under which a licensee is incorporated or
25 organized.

26 (11) "Insolvent" means a licensee that ceases to pay its debts in the ordinary
27 course of business, that cannot pay its debts as they become due, or whose aggregate
28 liabilities exceed its aggregate assets.

(12) "Interests of the licensee" includes the interests of shareholders or members of the licensee.

(13) "License" means a license issued under this Chapter authorizing a Louisiana corporation or a Louisiana limited liability company to transact business as a BIDCO.

(14) "Licensee" means a Louisiana corporation or Louisiana limited liability company which is licensed under this Chapter.

(15) "Louisiana corporation" means a corporation incorporated under the Louisiana Business Corporation Law, R.S. 12:1 et seq.

(16) "Louisiana nonprofit corporation" means a corporation incorporated under the Nonprofit Corporation Law, R.S. 12:201 et seq.

(17) "Louisiana limited liability company" means a limited liability company organized under the Louisiana Limited Liability Company Law, R.S. 12:1301 et seq.

~~(17)~~ (18) "Management assistance" means ~~to provide~~ management or technical advice or services provided to a person.

~~(18)~~ (19) "Officer" means:

(a) If used with respect to a corporation, a person appointed or designated as an officer of that corporation by or pursuant to applicable law or the articles of incorporation, or bylaws of that corporation.

(b) If used with respect to a specified person other than a natural person or a corporation, a person who performs with respect to that specified person functions usually performed by an officer of a corporation with respect to that corporation, including but not limited to a manager or managing member of a limited liability company.

~~(19)~~ (20) "Order" means an approval, consent, authorization, cease and desist, exemption, denial, prohibition, or requirement applicable to a specific case issued by the commissioner under this Chapter. "Order" includes a condition of a license and an agreement made by a person with the commissioner under this Chapter.

~~(20)~~ (21) "Person" means a natural person or legal entity. If used with respect to acquiring control of or controlling a specified person, "person" includes a combination of two or more persons acting in concert.

(21) (22) "Principal shareholder or member" means a person that owns, directly or indirectly, of record or beneficially, securities representing ten percent or more of the outstanding voting securities of a corporation or limited liability company.

~~(22)~~ (23) "Subject person" means a controlling person, subsidiary, or affiliate of a licensee; a director, manager, officer, or employee of a licensee or of a controlling person, subsidiary, or affiliate of a licensee, or any other person who participates in the conduct of the business of a licensee.

~~(23)~~ (24) "Subsidiary" means, if used with respect to a licensee, a company or business firm of which the licensee holds control.

~~(24)~~ (25) "This Chapter" includes an order issued or rule promulgated under this Chapter.

§2389. Regulation, reporting, and examination

* * *

E.(1) A fee shall be paid to, and collected by, the commissioner, as follows:

* * *

(c) The fee for filing an application for approval for a licensee to merge with another corporation or limited liability company, an application for approval for a licensee to purchase all or substantially all of the business of another person, or an application for approval for a licensee to sell all or substantially all of its business or of the business of any of its officers to another licensee is five thousand dollars. If two or more applications relating to the same merger, purchase, or sale are filed, the fee for filing each application shall be the quotient determined by dividing five thousand dollars by the number of the applications.

* * *

1 F.(1) A licensee shall make and keep books, accounts, and other records in
2 such a form and manner as the commissioner may require. These records shall be
3 kept in Louisiana at such a place and shall be preserved for such a length of time as
4 the commissioner may specify.

5 * * *

6 H. If the licensee elects to provide financing assistance outside of this state,
7 then beginning October 1, 2004, and each quarter thereafter, the licensee shall report
8 to the commissioner a listing of all financing assistance provided to business firms
9 that the licensee made during the previous calendar quarter. Such report shall
10 segregate all investments made outside of this state and include but not be limited to
11 the following:

12 (1) The legal name and address of the company receiving the investment.

13 (2) A brief description of the nature of the business.

14 (3) The NAICS code for the investment.

15 (4) The date and amount of the investment.

16 (5) The percent guaranteed, the guaranteed amount, and from whom the
17 guarantee was received.

18 (6) Whether the investment was a participation purchased or sold, and whom
19 it was purchased from or sold to.

20 * * *

21 §2391. Impact information

22 A. The commissioner shall provide to the House Commerce Committee and
23 Senate Commerce, Consumer Protection, and International Affairs Committee upon
24 their request information on the impact of this Chapter in promoting economic
25 development in this state. At the minimum, the information shall include aggregate
26 statistics on each of the following:

27 (1) The number and dollar amount of provisions of financing assistance made
28 by licensees to business firms in Louisiana.

(2) The number and dollar amount of provisions of financing assistance made by licensees to business firms in Louisiana classified in broad categories of industry, such as divisions of the standard industrial classification manual.

(3) The number and dollar amount of provisions of financing assistance made by licensees to minority-owned business firms and to women-owned business firms in Louisiana.

(4) Estimates of the number of jobs created or retained in Louisiana.

(5) The total number of employees and total payroll for Louisiana employees of BIDCOs.

B.(1) The commissioner shall examine each licensee not less than once each calendar year.

(2) The commissioner may at any time examine a licensee or subsidiary of a licensee.

(3) A director, officer, manager, or employee of a licensee or of a subsidiary of a licensee being examined by the commissioner, or a person having custody of any of the books, accounts, or records of the licensee or of the subsidiary, shall exhibit to the commissioner, on request, any of the books, accounts, and other records of the licensee or of the subsidiary and shall otherwise facilitate the examination so far as it is in their power to do so.

§2392. Licensing

A. A Louisiana corporation or Louisiana limited liability company may apply to the commissioner for licensure as a BIDCO. A person other than a Louisiana corporation or Louisiana limited liability company shall not apply for a license.

B.(1) After a review of information regarding the directors, officers, managers, and controlling persons of the applicant, a review of the applicant's business plan, including at least three years of detailed financial projections and other relevant information, and a review of additional information considered relevant by the commissioner, the commissioner may approve an application for a license if, and only if, the commissioner determines all of the following:

1 (a) The applicant has a net worth, or firm financing commitments from
2 private sources which demonstrate that the applicant will have a net worth when the
3 applicant begins transacting business as a BIDCO, in liquid form available to provide
4 financing assistance, that is adequate for the applicant to transact business as a
5 BIDCO as determined under Paragraph (2) of this Subsection.

6 (b) Each director, officer, manager, and controlling person of the applicant
7 is of good character and sound financial standing, each director or manager of the
8 applicant is competent to perform his or her functions with respect to the applicant,
9 and the directors, managers, and officers of the applicant are collectively adequate
10 to manage the business of the applicant as a BIDCO.

11 (c) It is reasonable to believe that the applicant, if licensed, will comply with
12 the provisions of this Chapter.

13 (d) The applicant has reasonable promise of being a viable, ongoing BIDCO
14 and of satisfying the basic objectives of its business plan.

15 (e) The applicant's headquarters are in Louisiana and the applicant agrees to
16 maintain its headquarters in Louisiana and conduct substantially all of its accounting,
17 payment, underwriting, and other back-office operations in one or more offices
18 located in this state if the licensee intends to provide financing assistance outside of
19 this state.

20 (2) In determining if the applicant has net worth or firm financing
21 commitments adequate to transact business as a BIDCO, the commissioner shall
22 consider the types and variety of financing assistance that the applicant plans to
23 provide, the experience that the directors, officers, managers, and controlling persons
24 of the applicant have in providing financing and managerial assistance to business
25 firms, the financial projections and other relevant information from the applicant's
26 business plan, and whether the applicant intends to operate as a profit or nonprofit
27 corporation or a limited liability company. Except as otherwise provided in this

Chapter, the commissioner shall require a minimum net worth of not less than one million dollars in cash or cash equivalents. The commissioner may allow less than one million dollars in minimum net worth, but in no case less than two hundred fifty thousand dollars, if in the context of the applicant's business plan, the initial capitalization amount is adequate for the applicant to transact business as a BIDCO because of special circumstances including but not limited to funded overhead, low overhead, or specialized opportunities.

(3) For the purposes of Paragraph (1) of this Subsection, the commissioner may disapprove an application upon the finding of any of the following:

(a) That a director, officer, manager, or controlling person of an applicant is not of good character if the director, officer, manager, or controlling person, or a director, manager, or officer of a controlling person, has been convicted of or has pleaded nolo contendere to a crime involving fraud or dishonesty.

(b) That it is not reasonable to believe that an applicant, if licensed, will comply with the provisions of this Chapter, if the applicant has been convicted of or has pleaded nolo contendere to a crime involving fraud or dishonesty.

(4) For purposes of Paragraph (1) of this Subsection, Paragraph (3) of this Subsection shall not be considered to be the only grounds upon which the commissioner may find that a director, manager, officer, or controlling person of an applicant is not of good character or that it is not reasonable to believe that an applicant, if licensed, will comply with the provisions of this Chapter.

C.(1) A person may apply to the commissioner for preliminary approval of an application for a license. Notwithstanding that commitments to invest in the equity of the applicant have not been obtained and that all directors, managers, and officers of the applicant have not been identified, the commissioner may grant preliminary approval. In issuing an order granting preliminary approval, the commissioner shall indicate that, for the commissioner to determine that the requirements of Subsection B of this Section are satisfied, final approval is

1 conditioned on review by the commissioner of the completion of the roster of
2 directors, managers, and officers and satisfaction of the minimum net worth
3 requirements. If an application for preliminary approval has been granted, before
4 granting final approval of the application for a license, the commissioner may request
5 an updated balance sheet and such other information considered relevant by the
6 commissioner.

7 (2) If a person files an application under this Subsection, the fee required by
8 R.S. 51:2389(E)(1)(a) is payable at the time the application is filed with the
9 commissioner.

10 D. If the commissioner denies an application under Subsections A through
11 C of this Section, the commissioner shall provide the applicant with a written
12 statement explaining the basis for the denial.

13 E. If an application for license is approved and all conditions precedent to the
14 issuance of that license are fulfilled, the commissioner shall issue a license to the
15 applicant. A licensee shall post the license in a conspicuous place in the licensee's
16 principal office. A license is not transferable or assignable.

17 F.(1) Except as otherwise provided in Paragraph (2) of this Subsection, a
18 person transacting business in this state, other than a licensee, shall not use a name
19 or title which indicates that the person is a business and industrial development
20 ~~corporation~~ company including but not limited to use of the term "BIDCO", and
21 shall not otherwise represent that the person is a business and industrial development
22 ~~corporation~~ company or a licensee.

23 (2) Before being issued a license under this Chapter, a Louisiana corporation
24 or Louisiana limited liability company that proposes to apply for a license or that
25 applies for a license may perform, under a name that indicates that the corporation
26 or company is a business and industrial development ~~corporation~~ company, the acts
27 necessary to apply for and obtain a license and to otherwise prepare to commence
28 transacting business as a licensee. Such a corporation or company shall not represent
29 that it is a licensee until after the license has been obtained.

1 §2393. Misrepresenting the meaning or effect of license; prohibited

2 A.(1) A Louisiana corporation or limited liability company that is licensed
3 under another law of this state or under any law of the United States may apply for
4 and be issued a license under this Chapter unless the transaction of business by the
5 corporation or company as a licensee under another law of this state or a law of the
6 United States violates this Chapter or is contrary to the purposes of this Chapter.

7 (2) A Louisiana corporation or Louisiana limited liability company that is
8 licensed under this Chapter may apply for and be issued a license under another law
9 of this state or of another state or a law of the United States unless the transaction of
10 business by that corporation or company as a licensee under another law of this state
11 or another state or a law of the United States would violate this Chapter or would be
12 contrary to the purposes of this Chapter.

13 B.(1) Upon approval of a two-thirds vote of its board of directors, managers,
14 or members and after complying with Paragraph (2) of this Subsection, a licensee
15 may apply to the commissioner to have the commissioner accept the surrender of the
16 licensee's license. If the commissioner determines that the requirements of this
17 Section have been satisfied, the commissioner shall approve the application.

18 (2) Not less than sixty days before filing an application with the
19 commissioner under Paragraph (1) of this Subsection, a licensee shall notify all of its
20 shareholders or members and all of its creditors of its intention to file the application.
21 Each creditor shall be notified of the right to comment to the commissioner. Each
22 shareholder or member shall be notified of the right to file with the licensee an
23 objection to the proposed surrender of the license within the sixty-day period and
24 shall be advised that, if the shareholder files an objection, the shareholder or member
25 should send a copy of the objection to the commissioner. If shareholders or members
26 representing twenty percent of the outstanding voting securities of the licensee file
27 an objection, the licensee shall not proceed with the application under Paragraph (1)

1 of this Subsection unless the application is approved by a vote of shareholders or
2 members representing two-thirds of the outstanding voting securities of the licensee.

3 §2394. Corporate or company matters

4 A. The corporate or limited liability company name of each licensee shall
5 include the word "BIDCO". A licensee shall not transact business under a name
6 other than its corporate name or limited liability company name.

7 B.(1) The board of directors of each licensee shall consist of not less than
8 five directors. If the licensee is a limited liability company, it shall have at least five
9 managers who are natural persons.

10 (2) The board of directors or managers of each licensee shall hold a meeting
11 not less than once each month.

12 C. Within thirty days after the death, resignation, or removal of a director,
13 manager, or officer, the election of a director, or the appointment of an officer, the
14 licensee shall notify the commissioner in writing of the event and shall provide any
15 additional information which the commissioner may require.

16 §2395. Transaction of business

17 A.(1) A licensee providing financing assistance outside of this state shall
18 maintain ~~not less than one office~~ its headquarters in this state. A licensee that
19 provides financing assistance in this state only shall maintain not less than one office
20 in this state.

21 (2) Each office of a licensee shall be located in a place which is reasonably
22 accessible to the public.

23 (3) A licensee shall post in a conspicuous place at each of its offices a sign
24 which bears the corporate or limited liability company name of the licensee.

25 (4) A licensee shall maintain at each of its offices personnel who are
26 competent to conduct the business of such an office.

27 (5) Upon thirty days' prior written notice to the commissioner, a licensee may
28 establish, relocate, or close an office.

1 (6) If the licensee elects to provide financing assistance outside of this state,
2 then regardless of the states in which a licensee provides financing assistance, the
3 licensee shall conduct substantially all of its accounting, payment, underwriting, and
4 other back-office operations in one or more offices located in this state. With
5 approval of the commissioner, the requirement of this Subsection shall not apply to
6 licensees that have provided financing assistance outside this state prior to January
7 1, 2003.

8 (7) Unless approved by the commissioner, the total amount of financing
9 assistance provided by a licensee outside of this state shall not exceed fifty percent
10 of the total financing assistance provided by such licensee on a cumulative basis.

11 B.

12 * * *

13 (2) In addition to the powers and privileges provided to a licensee by this
14 Chapter, a licensee has all powers and privileges conferred by its incorporating
15 statute which are not inconsistent with or limited by this Chapter. The powers of a
16 licensee include but are not limited to all of the following:

17 (a) To borrow money and otherwise incur indebtedness for its purposes,
18 including issuance of ~~corporate~~ bonds, debentures, notes, or other evidence of
19 indebtedness. A licensee's indebtedness may be secured or unsecured and may
20 involve equity features including but not limited to provisions for conversion to stock
21 and warrants to purchase stock.

22 * * *

23 D.(1) With the approval of the commissioner, a licensee may form, or
24 acquire and hold control of, a corporation ~~which has offices located only in this state~~
25 and or other entity which is licensed as a small business investment company under
26 the Small Business Investment Act of 1958, Public Law 85-699, 15 U.S.C. 689.

27 (2) With the approval of the commissioner, a licensee may form, or acquire
28 and hold control of, a company ~~located in this state~~ or other entity which is a local
29 development company in accordance with the Small Business Investment Act of

1 1958, whether or not such a development company is or may become certified by the
2 Small Business Administration under Section 504 of the Small Business Act of 1958,
3 15 U.S.C. 697.

4 * * *

5 F.

6 * * *

7 (3) For the purpose of Paragraph (2) of this Subsection, transactions engaged
8 in by a licensee which involve a potential conflict of interest include but are not
9 limited to the following:

10 (a) Providing financing assistance to a principal shareholder or member of
11 the licensee, to a person controlled by a principal shareholder or member of the
12 licensee, or to a director, officer, manager, partner, relative, controlling person, or
13 affiliate of a principal shareholder or member of the licensee.

14 (b) Providing financing assistance to a business firm to which a principal
15 shareholder or member of the license is a director, officer, manager, partner, relative,
16 controlling person, or affiliate of a principal shareholder or member of a licensee, or
17 a person controlled by a principal shareholder or member of the licensee provides or
18 plans to provide contemporaneous financing assistance.

19 (c) Providing financing assistance to a business firm which has or is expected
20 to have a substantial business relationship with another business firm which has a
21 director, officer, manager, or controlling person who is also a director, officer,
22 manager, or controlling person of the licensee or who is the spouse of a director,
23 officer, manager, or controlling person of the licensee.

24 (d) Providing financing assistance to a business firm if that business firm, or
25 a director, officer, manager, or controlling person of that business firm,
26 contemporaneously has lent or will lend money to an associate of the licensee.

27 (e) Providing financing assistance for the purchase of property of an associate
28 or principal shareholder or member of the licensee.

1 (f) Selling or otherwise transferring any of its assets to an associate or
2 principal shareholder or member of the licensee.

3 * * *

4 §2396. Enforcement

5 * * *

6 D.

7 * * *

8 (6) As used in this Subsection, "office", if used with respect to a licensee,
9 means the position of director, officer, manager, or employee of the licensee or of a
10 subsidiary of the licensee.

11 * * *

12 F.(1) If the commissioner considers it expedient, he may call a meeting of the
13 board of directors or managers of a licensee by giving notice of the time, place, and
14 purpose of the meeting not less than five days before the meeting to each director or
15 manager either by personal service or by registered or certified mail sent to the
16 director's or manager's last known address as shown in the records of the
17 commissioner.

18 (2) If the commissioner considers it expedient, the commissioner may call
19 a meeting of the shareholders or members of a licensee by giving notice of the time,
20 place, and purpose of the meeting not less than five days before the meeting to each
21 shareholder or member either by personal service or by registered or certified mail
22 sent to the shareholder's or member's last known address as shown by the books of
23 the licensee. The licensee shall pay the expenses of the notice and of a meeting
24 called under this Paragraph.

25 G.(1) The commissioner may issue an order directing a licensee to refrain
26 from providing any additional financing assistance to business firms if, in the opinion
27 of the commissioner, the order is necessary to protect the interests of the licensee or

1 the public interest, and if, after notice and a hearing, the commissioner determines
2 that any of the following are true:

3 * * *

4 (d) The licensee has ceased to transact business as a business and industrial
5 development ~~corporation~~ company.

6 * * *

7 §2397. Certain unlawful activities

8 A.(1) As used in this Chapter, unless the context otherwise requires:

9 * * *

10 (b) "Associate" means, if used with respect to a licensee:

11 (i) A controlling person, director, manager, officer, agent, or advisor of that
12 licensee.

13 (ii) A director, officer, manager, or partner of a person referred to in Item (i)
14 of this Subparagraph.

15 (iii) A person who controls, is controlled by, or is under common control
16 with a person referred to in Item (i) of this Subparagraph, directly or indirectly
17 through one or more intermediaries.

18 (iv) Any close relative of any person referred to in Item (i) of this
19 Subparagraph.

20 (v) A person of which a person referred to in Items (i) to (iv) of this
21 Subparagraph is a director, manager, or officer.

22 (vi) A person in which a person referred to in Items (i) to (iv) of this
23 Subparagraph, or any combination of those persons acting in concert, owns or
24 controls, directly or indirectly, at least twenty percent or greater equity interest.

25 * * *

26 (2) For the purposes of Subparagraph (1)(b) of this Subsection:

27 (a) A person who is in a relationship referred to in that Subparagraph within
28 six months before or after a licensee provides financing assistance shall be

1 considered to be in that relationship as of the date that licensee provides that
2 financing assistance.

3 (b) If a licensee, in order to protect its interests, designates a person to serve
4 as a director of, manager of, officer of, or in any capacity in the management of a
5 business firm to which that licensee provides financing assistance, that person shall
6 not, on that account, be considered to have a relationship with that business firm.
7 This Subparagraph does not apply if the person has, directly or indirectly, any other
8 financial interest in the business firm or if the person, at any time before the licensee
9 provides the financing assistance, served as a director of, manager of, officer of, or
10 in any other capacity in the management of the business firm for a period of thirty
11 days or more.

12 * * *

13 D. A person shall not, with intent to deceive a director, manager, officer,
14 employee, auditor, or attorney of a licensee, the commissioner, or a governmental
15 agency make a false entry in the books, accounts, or other records of that licensee,
16 omit to make an entry in those books, accounts, or other records which that person
17 is required to make or alter, conceal, or destroy any of those books, accounts, or other
18 records.

19 E. A licensee shall not provide, directly or indirectly, financing assistance to
20 an associate of the licensee, except with respect to guarantees and other forms of
21 credit support provided by the licensee in connection with securing funds to be used
22 by the licensee in providing financing assistance to business firms.

23 * * *

24 G.

25 * * *

- 1
- (2) This Subsection does not apply to any of the following:
- 2
- (a) If the associate is a controlling person of the licensee and is also the only
- 3
- shareholder or member of the licensee.
- 4
- * * *

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____